

Inequality and Poverty in Spain continue to grow—Between working in the Black Economy and the Civil-servant Bureaucracy

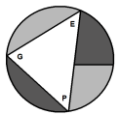
Rodolfo Valentino

The two subsequent contributions in this journal concern German and Spanish texts of the same article regarding an EUROSOR (Independent European Sociological Research) study conducted and translated by the author himself.

I. Individual Occupational Objective: Becoming a Civil Servant—A Comparison between Spain and Germany

According to many experts, the gap between incomes in Spain is greater than ever. After the great Euro crisis, which in Spain was largely a real estate crisis, Spain fell into a severe recession, from which it has not yet recovered. Although the unemployment rate has halved since its top in 2013, with newly created jobs in the public sector, the figure of 14% is still well above the Euro zone average and is only exceeded by Greece within of the European Union (*Handelsblatt*, 07/31/2019).

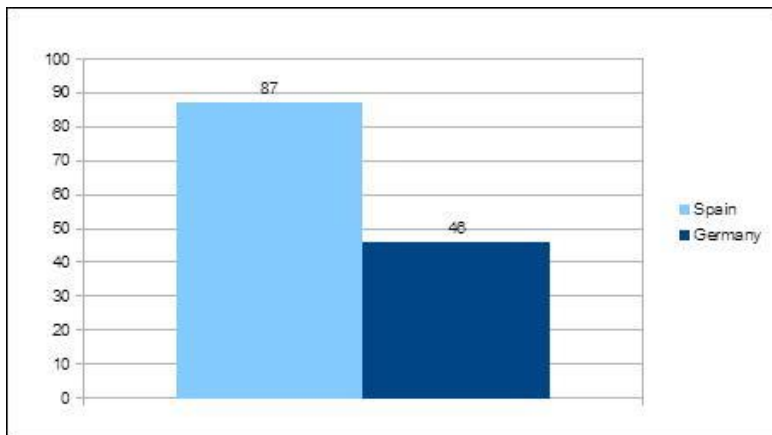
It is not surprising that the majority of students (87%) in Spain aspire, according to a representative study completed on August 31, 2019 by the Independent European Research Institute EUROSOR in Santander, to become a civil servant. While the number of German students who



would be delighted to be civil servants is 46%. The study consists of short ten-minutes interviews in which a total of 1886 matriculated students in 30 universities in Spain and Germany were interviewed.

As reasons for this election, German and Spanish students said they wanted above all a stable and secure income (Spain = 93%, Germany = 65%), creditworthiness when buying a home (Spain = 97%, Germany = 48%), flexible working hours (Spain = 54%, Germany = 62%), overtime paid (Spain = 95%, Germany = 28%), lifetime work (Spain = 97%, Germany = 42%), a good and safe pension (Spain = 78%, Germany = 96%), less work (Spain = 96%, Germany = 32%), more paid vacations (Spain = 97%, Germany = 13%) and non-expendable work contract (Spain = 94%, Germany = 48%).

Fig. 1: Would you like to become a civil servant after completing your studies? (in %)



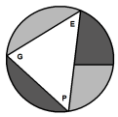
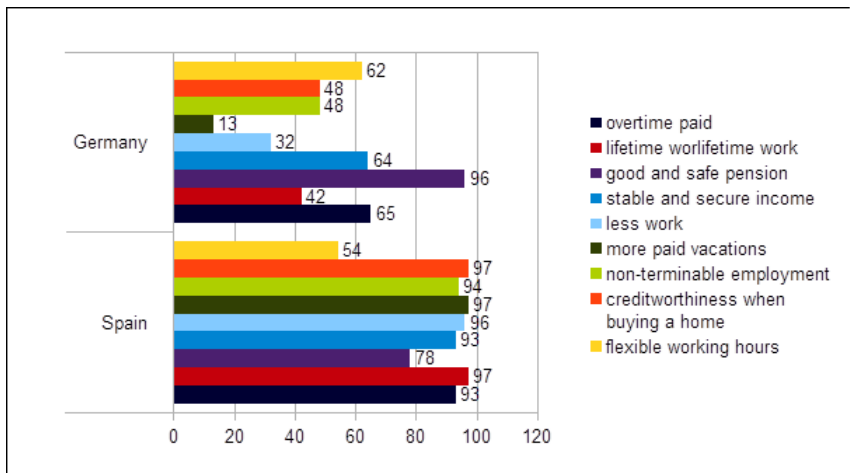


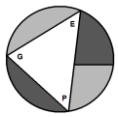
Fig. 2: What advantages do you see in becoming a civil servant? (in %)



II. Social Inequality and Poverty in Spain

Meanwhile, income in Spanish society is distributed more unequal than ever. According to Dr. Rodolfo Valentino, Director of the Independent European Research Institute EUROSOR, it is surprising that Spanish policy does not see or have not seen in the past the need to act and points to the already existing welfare state, which, compared to Germany, transcends almost the whole economic burden and of care of the members to the family, that is to say parents and grandparents.

But income inequality and the impoverishment of the middle class (except civil servants) in Spain continue to grow. "This is mainly due to



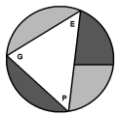
two factors,” says Dr. Rodolfo Valentino:

“On the one hand, there are high-income groups that have benefited from the fierce capital and corporate profits and, on the other, 70% of households of lower incomes (up to € 1400 and less) that have touched the lowest social position. The middle class has delivered 50% of its members to the lower classes. A special feature worth mentioning is that the ‘poor’ in Spain, in contrast to Germany, are being punished twice. Instead of banks offering a low interest credit account to reach the end of the month, they take advantage and charge the poorest with a penalty fee of 40 to 80 euros when there is an overdraft. A double punishment for those who already have to turn around each Euro and tremble in case they don’t arrive until the end of the month. Current data shows that all those politicians and economists, who gave and still give the signal of end of social alarm, because the impoverishment of a large part of the Spanish population does not continue, have been wrong. While inequality is growing more slowly, Spain still ‘happily’ follows the risky path to greater inequality.”

III. Conclusion: Strategies of combatting Inequality—An Expertise

According to many experts, additional financial assistance is needed to stop income inequality in the middle and lower layers. It is important that households in the middle and lower part of the social hierarchy receive non-bureaucratic and specific support and advice.

This includes not only access to psychosocial counseling, financial aid, but also large tax relief for small entrepreneurs (some of which are being promoted towards self-employment by the Spanish Labour Office



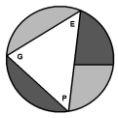
SEPE), “since the Spanish Tax Agency uses complex procedures and confusing models, in the opinion of our 100 small entrepreneurs interviewed like translators, scientists, shop owners, artisans, etc., to collect money aggressively through penalties and fees instead of promoting employment. Many told us in the interviews that they do not declare all the income, because the Spanish Tax Agency, unlike the neighbouring European institutions, does not respect the subsistence minimum,” says Dr. Rodolfo Valentino.

In one thing, many social scientists agree that the increase of inequality in Spanish society can destroy social cohesion. This trend can only be stopped, according to Dr. Rodolfo Valentino, if wages increase markedly, capital and wealth revenues are properly taxed and a large tax reform significantly alleviates small income and small businesses. In addition, households with children should receive much more financial support. The introduction of “Minijobs” free of taxes and tax charges (up to €450) like in Germany, could also make the fiscal and economic burden of “medium” and “poor” households bearable.

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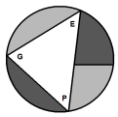
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NB: do you have any comments on Valentino's article? Please send these to info@ethnogeopolitics.org, or through the contactform at www.ethnogeopolitics.org.